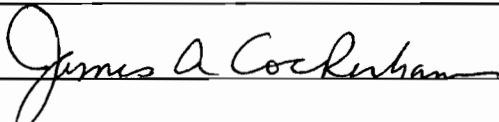


## TEFRA LIEN POLICY AND ADMINISTRATIVE PROCEDURES

Effective Date: July 1, 2007

Signature: 

### I. PURPOSE

A TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) lien is a pre-death lien, placed on a Member's real property, which will aid in the recovery of ALTCS benefits provided on behalf of the Member when the property subject to the lien is sold or transferred.

### II. AUTHORITY

U.S.C. § 1396(p) of the Social Security Act

A.R.S. § 36-2931 et seq.

A.A.C. R9-22-1006

A.A.C. R9-28-901 et seq

Medicaid Manual, Part 3-Eligibility, Section 3810

### III. DEFINITIONS

#### A. AHCCCS

A state agency, doing business as Arizona Health Care Cost Containment System (AHCCCS) as defined by A.R.S. § 36-2901. This agency is composed of the administration, contractors, and other components. All are affiliated with the provision of health care services to eligible persons, within the jurisdiction of the State of Arizona.

#### B. ALTCS

Arizona Long Term Care System (ALTCS), is a program under AHCCCS that delivers long term, acute and behavioral health care services to eligible Members, as authorized by A.R.S. § 36-2931 et seq. The ALTCS program is for aged (aged 65 and over), blind, physically disabled, or developmentally disabled who need ongoing services at a nursing facility level of care.

#### C. Discharge(d)

To be officially discharged from the medical institution with the intent to return to the primary residence. Upon discharge from the medical institution, the Member must have returned to the Individual's Home and must be physically residing in the home with the intention of remaining at home. Discharge to an alternative HCBS setting defined in A.A.C. R9-28-101(B) does not constitute a return to the home. In addition, Discharge does not include release from the medical institution for medical leave days or visitation days.

D. Equity Interest

The county assessor's full cash value or market value of the home minus any valid liens, encumbrances or both.

E. Individual's Home

The property in which a Member has an ownership interest and which serves as the Member's primary residence. This property includes the shelter, the land on which the shelter is located, and any related outbuildings.

F. Lawfully Residing

To live in a residence with the authorization of the owner and within the bounds of the law.

G. Member(s)

A person eligible for AHCCCS covered services under A.R.S. Title 36, Chapter 29, Article 2.

H. Member's Representative

A person authorized by the Member, a legal representative, or a responsible relative of the Member to act on behalf of the Member.

I. Residing In The Individual's Home

Occupancy of an Individual's Home by a sibling or son or daughter of the Member as a place of residence. During the one or two year time period, the Individual's Home address was used by the sibling or son or daughter as their permanent address and the address remained unchanged.

J. Spouse

A person legally married under Arizona law, a person eligible for Social Security benefits as the spouse of another person, or a person living with another person of the opposite sex and the couple represents themselves in the community as husband and wife.

K. State Fair Hearing

An administrative hearing under A.R.S. Title 41, Chapter 6, Article 10.

#### IV. BACKGROUND

A. TEFRA allows AHCCCS to place a lien on a Member's real property before the Member is deceased. AHCCCS may impose a lien, as authorized under 42 U.S.C. § 1396p and Arizona law (A.R.S. § 36-2935), against the real property, including the Individual's Home, of certain Members who meet the following three criteria:

1. Receiving ALTCS services;
2. 55 years of age or older; and
3. Permanently institutionalized.
  - a. A rebuttable presumption exists that a Member is permanently institutionalized if the Member has continually resided in a nursing facility, ICF/MR, or other medical institution defined in 42 CFR 435.1009 for 90 or more consecutive days. A Member may rebut the presumption by providing a written opinion from a treating physician, rendered to a reasonable degree of medical certainty, that the Member's condition is likely to improve to the point that the Member will be Discharged from the medical institution. Upon Discharge from the medical institution, the Member must return to the Individual's Home and must be physically residing in the home with the intention of remaining at home.

B. AHCCCS shall not place a TEFRA lien against a Individual's Home if one of the following individuals is Lawfully Residing In The Individual's Home:

1. Member's Spouse;
2. Member's son or daughter who is under the age of 21;
3. Member's son or daughter who is blind or disabled under 42 U.S.C. 1382c; or
4. Member's sibling who has an Equity Interest in the home and who was Residing In The Individual's Home for at least one year immediately before the date the Member was admitted to the nursing facility, ICF/MR, or other medical institution as defined under 42 CFR 435.1009.

C. AHCCCS shall issue a release of a TEFRA lien within 30 days of:

1. Satisfaction of the lien, or
2. Notice that the Member has been Discharged from the nursing facility, ICF/MR, or other medical institution defined under 42 CFR 435.1009.

#### D. TEFRA Lien Recovery

1. While the member is alive, AHCCCS shall seek to recover a TEFRA lien upon the sale or transfer of the real property subject to the lien.
2. Upon the death of the member, AHCCCS shall not seek to recover the TEFRA lien, or attempt recovery against any real property subject to the TEFRA lien, so long as the Member is survived by the Member's:
  - a. Spouse,
  - b. Son or daughter under the age of 21,
  - c. Son or daughter who receives benefits under either Title II or Title XVI of the Social Security Act as blind or disabled, as defined under 42 U.S.C. 1382c.
  - d. A sibling of the Member who currently resides in the deceased Individual's Home and who was Residing In The Individual's Home for a period of at least one year immediately before the date of the Member's admission to the nursing facility, ICF/MR, or other medical institution as defined under 42 CFR 435.1009; or
  - e. A son or daughter of the Member resides in the deceased Individual's Home who:
    - i. Was Residing In The Individual's Home for a period of at least two years immediately before the date of the Member's admission to the nursing facility, ICF/MR, or other medical institution as defined under 42 CFR 435.1009; and
    - ii. Provided care to the Member, which allowed the Member to reside at home rather than in an institution. To determine whether a son or daughter of the Member provided care under subsection (b)(2), AHCCCS shall require the following information:
      - a. Physician's statement that describes the Member's physical condition and service needs for the previous two years;
      - b. Verification that the son or daughter actually lived in the Individual's Home

- c. Statement from the son or daughter providing the services that describes and attests to the services provided;
- d. A statement made by the Member prior to death, if any, regarding the services received; and
- e. Statement from physician, friend, or relative as witness to the care provided.

## V. DETAILED TEFRA LIEN ACTIVITY

### A. Receive Referrals:

1. Monthly, the AHCCCS Division of Member Services (DMS) will provide the Division of Business and Finance, Third Party Liability Section (TPL Section) a report which identifies all ALTCS Members who meet the minimum criteria for filing a TEFRA lien; who do not have a relative living in the Individual's Home that would preclude AHCCCS from filing a TEFRA lien; and who is not a Member of a recognized Native American Tribe. See Attachment 1 for a listing of the criteria used in the development of the report, and a listing of the minimum data elements to be included in the report.

### B. Produce And Mail Notice Of Intent (NOI) letter

1. DMS will maintain an Access TEFRA NOI database and produce: the NOIs, mailing labels, and an Excel control listing for those Members who have not previously been sent a NOI to file a lien against the real property.
2. DMS will mail merge the Members who are eligible for a TEFRA lien into the standard NOI letter. See Attachment 3 for a copy of the AHCCCS Notice of intent to file a TEFRA lien, and Attachment 2 for a listing of the Mail Merge Acronyms that are utilized in the TEFRA correspondence. DMS will review the letters for reasonableness before the letters and the Excel control list are sent to the TPL section. In addition, DMS will provide the TPL Section an Excel control list containing all of the relevant information related to the NOI.
3. As a quality control measure, a TPL staff Member will verify 100% of the information contained in the letters to the ACE system to ensure the accuracy of the information being utilized in generating the letters prior to mailing the NOI.

4. After the mail merge is complete the TPL Section will print, stuff and mail the letters to the Member or the Member's Representative. A copy of the mail merged document will be archived by the TPL Section both electronically and on paper for future reference.
5. A copy of the Excel control list will be sent to the Health Management Systems. (HMS) via Secure email within 2 business days of mailing the NOI's to the Members.

C. Enter Data Into CMTS

1. HMS should "load" the NOI information into their proprietary Case Management Tracking System (CMTS), thereby maintaining a complete database of Members who have been identified as being eligible for an NOI by AHCCCS, and the subsequent tracking of correspondence and collection efforts associated with that Member.

D. Evaluate The Member's request for exemption from a TEFRA lien:

1. If HMS receives a request for exemption from the TEFRA lien from the Member, or the Member's Representative, within the required time frame the request needs to be verified to determine if a TEFRA lien will be filed. The following should be preformed:
  - a. Confirm permanently institutionalized status & exemptions from the TEFRA lien. HMS should determine whether the Member is permanently institutionalized. There is a presumption that a person, who is in a long-term care facility 90 days or more, is permanently institutionalized unless other evidence is produced. A Member may rebut the presumption by providing a written opinion from a treating physician, rendered to a reasonable degree of medical certainty, that the Member's condition is likely to improve to the point that the Member will be Discharged from the medical institution and will be capable of returning home by a date certain. Upon Discharge from the medical institution, the Member must return to the Individual's Home and must be physically residing in the home with the intention of remaining at home. All such determinations shall be forwarded to the AHCCCS' TPL unit for approval.
  - b. Determine whether a statutory exemption exists for filing a lien. No lien will be filed as long as the Member has a:
    - i. Spouse (confirm with marriage certificate, or affidavit signed by Spouse.)

- ii. Minor son or daughter, under age 21 (confirm with birth certificate). This case should be tagged for future follow-up if the son or daughter will reach the age of majority soon.
- iii. Blind and disabled son or daughter (confirm with birth certificate). AHCCCS has established a relationship with the SSA to verify disability information. If a member's son or daughter is requesting an exemption due to disability and the SSI award letter provided appeared unsatisfactory, the TEFRA Caseworker should contact the Estate Recovery Program Manager to request the Wire Third Party Inquiry (WTPY), the electronic query from Member File Integrity Section (MFIS) in the Division of Member Services (DMS), to verify SSI disability benefits from SSA.
- iv. Sibling who has an Equity Interest in the home and who was Residing In The Individual's Home for at least one year immediately before the date the Member was admitted to a nursing facility, an intermediate care facility for the mentally retarded, or other medical institution defined in 42 CFR 435.1009. (Confirm with birth certificate, recorded deed instrument, and an affidavit that the sibling was residing in the Individual's Home for the required time period signed by the sibling.)
- v. In addition, HMS should review any other items that are mentioned in the response.

E. A lien may be placed against life estates and beneficiary deed interests.

F. If the Member is deceased, then refer the lead to the estate recovery program.

G. All files should be fully documented regarding other extenuating circumstances (i.e., wrong person, etc.)

H. Verify Property Ownership:

The following procedures shall be completed by HMS:

1. If not already provided, the county where the property is situated will have to be determined based upon the property address. Property information is available on the Internet at <http://proagency.tripod.com/az-counties.html>. The court / county field on CMTS should be populated on the main case screen if it is not already filled.

2. An on-line search shall be conducted of property assessor information via the Internet to confirm that the named Member is listed as the current owner of the property. The search should be conducted using the Member's name and/or property address.
3. If no match can be located, the CMTS case status should be changed to "Closed: No-Lead."
4. If the property address is not provided by the AHCCCS referral, or if it is incomplete, a property search may be conducted under the name of the Member in order to determine an appropriate match. With common names, it may be further necessary to compare the demographic information on the ACE or PMMIS systems with any deeds available on-line via the county Clerk of Court recorder's website to ensure that the lien is placed on the property owned by the Member. If no match can be located, the CMTS case status should be changed to "Closed: No-Lead."
5. In some instances, the Member may own two or more parcels of real property. In those instances, a separate case should be opened on CMTS for each parcel and the cases should be linked together as similar cases. In addition, inform the AHCCCS Division of Member Services the member owns more than one parcel of real property.
6. The market value of the property should be determined from the property assessor's web site. The value should be inputted on CMTS under the Settlement amount - Other. If the listed value of the property is \$5,000 or less, the CMTS case status should be changed to "Closed: No-Lead."
7. The legal description of the property should also be determined from the property assessor's web site. The description should be inputted on CMTS under the Third Party tab, Add a third party, select Legal Description, and enter data under the Firm, Address 1 and Address 2 fields.
8. If HMS recommends that case status should be changed to "Closed: No-Lead," HMS should notify AHCCCS, not less often than weekly, of the name of the Member and the reason HMS considers the case status to be "Closed: No-Lead."
9. If HMS recommends that there is a statutory exemption for filing a TEFRA lien, or if the Member does not own real property with a value of more than \$5,000, then the Member, or the Member's Representative, should be sent a letter stating that AHCCCS will not be placing a TEFRA lien at this time. See Attachment 4, with a copy to AHCCCS.



- I. If the Member, or the Member's Representative, does not request an exemption; the request for an exemption was not received timely; or if the property is not eligible for an exemption from a TEFRA lien:
  1. An original TEFRA lien and clerk cover letter should be printed, signed, and mailed to the appropriate county Clerk of Court Recorder's office. See Attachment 6. The lien must be accompanied by a check for the appropriate recording fee for that county.
  2. A copy of the lien and a separate cover letter will be mailed to the Member, or the Member's Representative- see Attachment 6 and Attachment 6A. The CMTS case status of the file should be switched to "Open - Dormant" by HMS.
- J. If the Member, or the Member's Representative, requests an exemption that was received timely, but AHCCCS determines that the property is not eligible for an exemption from a TEFRA lien:
  1. The Member, or the Member's Representative, should be notified within 30 days of the receipt of the request, that AHCCCS has reviewed the request for exemption and determined that the Member, or the Member's Representative, did not show that a statutory exemption exists that would preclude AHCCCS from filing a TEFRA lien. See Attachment 5. This notice should be mailed to the Member, or the Member's Representative, using a method of delivery that will provide the date that the letter was received by the Member, or the Member's Representative.
- K. If AHCCCS has not received a timely request for a State Fair Hearing an original TEFRA lien and clerk cover letter should be printed, signed, and mailed to the appropriate county Clerk of Court Recorder's office. See Attachment 6. The lien must be accompanied by a check for the appropriate recording fee for that county.
  1. If at a later date the Member, or the Member's Representative, is able to document that the request for a State Fair Hearing was filed within the required time limits, a TEFRA lien that was filed due to 'non-timely' request for a State Fair Hearing will be removed from the property within 30 days.
  2. A copy of the lien and a separate cover letter will be mailed to the Member or the Member's Representative. See Attachment 6 and Attachment 6A. The CMTS case status of the file should be switched to "Open - Dormant" by HMS.

#### L. State Fair Hearing

1. The Member, or the Member's Representative, may file a request for a State Fair Hearing to dispute the applicability of the lien due to an exemption, permanently institutionalized determination, or other related matter. If HMS receives a request for a State Fair Hearing from a Member, HMS should immediately FAX a copy to Office of Administrative Legal Services at (602) 253-9115, and then hand deliver the actual request within 24 hours to: AHCCCS Administration, Office of Administrative Legal Services, 701 E. Jefferson St., Phoenix, AZ 85034.
2. In addition, the case should be entered on the HMS State Fair Hearing Log for tracking purposes. While the matter is in the State Fair Hearing process, HMS should not perform any activity related to the file without first consulting AHCCCS.
3. If the Member has his/her State Fair Hearing upheld, it may be appropriate to close the case file, print and sign a Release of Lien (unpaid) from CMTS, and mail the original to the Clerk of Court and a copy to the Representative. See Attachment 9. AHCCCS will provide HMS further guidance when there is a conclusion to the State Fair Hearing and an hearing decision has been issued.

#### VI. CASE WORK

- A. HMS should enter all incoming phone calls and correspondence into CMTS. This ensures accuracy of the system's data and allows all staff access to the most current case information.
- B. Case Status letters should be as appropriate and mailed to the Member's Representative in order to keep abreast of case development. See Attachment 7.
- C. Receipt of impending property transfer:
  1. Once a lien has been filed, it may be a number of months or years before AHCCCS or HMS receives a notice of a proposed sale or transfer of the property.
  2. Upon notification of the proposed sale or transfer of the property; or the transfer of the property to another individual the CMTS case status should be switched to "Open" by HMS.
- D. Valuing the amount of a lien (**Note: If the member is deceased see the Estate Recovery Policy and Procedure for the next steps**):

1. Once a case is opened, HMS must determine the total cost of ALTCS care provided to the Member. PMMIS & ACE screens are used to determine the amounts ALTCS has paid for recoverable medical services. HMS should utilize the following steps to gather the necessary information to be used in valuing the amount of a lien:
  - a. If the member was age 55 or older on January 1, 1994 then determine total amount of money ALTCS has expended since January 1, 1994. If the member was under the age of 55 on January 1, 1994 then determine the total amount of money ALTCS has expended since the Member was age 55. Note: Capitation payments for 01/01/1994 thru 09/01/1994 MUST be requested via fax from AHCCCS. Fax the AHCCCS Estate Recovery Program Manager (602-417-4389) with a request for the information needed, and the information will be provided to HMS.
  - b. AHCCCS recoverable amounts are comprised of AHCCCS expenditures with the following key codes: 040 - 140 and 700- 740.
  - c. HMS should utilize those Capitation Payments, Medicare Part A & B Premiums, Medicare Coinsurance and Deductibles, Reinsurance Payments and Fee-for-Service Payments that coincide to the recoverable key codes. For example - John Smith's key code for January through March 1999 was 420, and April 1999 through date of death (DOD) was 090. Therefore, the only charges you would add to the Medical Payment History Spreadsheet are those that occurred within the April 1999 through DOD time period.
  - d. HMS should compile the data and enter it onto the AHCCCS Long Term Care Medical Payment History Spreadsheet. See Attachment 8.
  - e. Add Capitation Payments, Medicare Part A and B Premium Payments, Medicare Coinsurance, Medicare Deductibles, Reinsurance and Fee-for-Service Payments together.
  - f. Subtract Member's Share of Cost Payments from total ALTCS expenditures that were paid during the recovery process
  - g. The resulting number represents the total TEFRA lien amount.
  - h. HMS should place the spreadsheet in the file and fill in the state value and Medical Payment History Summary sections of the Value Correspondence Sheet.
  - i. Update CMTS using the CMTS Financial Screen.

## VI. SETTLE CASE / ARCHIVE CASE

A. An open TEFRA lien case is released upon payment of the lien prior to the Member's death, either in full or for a partial amount depending upon the available assets, or if the Member has been Discharged. Follow the steps below to close a case:

1. If the Member has been Discharged, then print and send the Release of Lien (unpaid) - See Attachment 9.
2. For cases in which money was tendered, print and mail a Release of Lien (paid) - See Attachment 11.
3. If AHCCCS determines that it is in its best interest, under the provisions of the Estate Recovery Policy and Administrative Procedures, to accept a settlement amount less than the full amount owed HMS will notify the Member's Representative of the compromise amount. See Attachment 10, and upon receipt of payment will print and send a Release of Lien (paid) - See Attachment 11. A copy of the Release of Lien should be sent to the AHCCCS Division of Member Services.

B. At time of the Member's death the TEFRA lien recovery will be governed by the provisions of the Estate Recovery Policy and Administrative Procedures. However, the TEFRA Lien will remain in place:

1. Until there is a statutory or hardship exemption from Estate Recovery granted. Or,
2. Until the property is sold and AHCCCS recovers its claim, either in full or for a partial amount. If AHCCCS determines that it is in its best interest, under the provisions of the Estate Recovery Policy and Administrative Procedures, to accept a settlement amount less than the full amount owed HMS will notify the Member's Representative of the compromise amount.

When an exemption from Estate Recovery is granted, or upon the receipt of payment of the claim, or compromise amount, from the sale of the property: print and send a Release of Lien (paid) - See Attachment 11. A copy of the Release of Lien should be sent to the AHCCCS Division of Member Services.

**TEFRA Lien selection criteria to be utilized by the Division of Member Services (DMS):**

* Age	The member is 55 or greater
* Marital Status -	The member is single, divorced or widowed.
* Native American Status	The member is not a Native American
* Living arrangement	The member has been admitted to a nursing facility, an intermediate care facility for the mentally retarded, or other medical institution defined in 42 CFR 435.1009, and the member has been the facility for more than 90 days.
* Property Ownership	The member Owns Real Property with a equity value greater than \$5,000.00

**Data Elements to be reported by DMS are:**

Address\_OK  
 AHCCCS\_ID  
 Last  
 First  
 DOB  
 PROPERTY ADDRESS 1  
 Property Address 2  
 Property City  
 Property State  
 Property ZIP  
 County  
 Contact  
 Contact Name  
 Contact Address 1  
 Contact Address 2  
 Contact City  
 Contact State  
 Contact ZIP

## ATTACHMENT 2

### Mail Merge Acronyms

<u>Mail Merge Acronym</u>	<u>Refers to</u>
EFIRST_NAM	Members First Name
ELAST_NAME	Members Last Name
LFIRST_NAM	Member's PR/AR/LR/LG/ or RR First Name
LLAST_NAME	Member's PR/AR/LR/LG/ or RR Last Name
LADDRESS1	Member's PR/AR/LR/LG/ or RR Address 1
LADDRESS2	Member's PR/AR/LR/LG/ or RR Address 2
LMAILCITY	Member's PR/AR/LR/LG/ or RR City
LSTATE	Member's PR/AR/LR/LG/ or RR State
LZIP	Member's PR/AR/LR/LG/ or RR Zip Code
ECASEID	PCG's Case Number
ECURRENTCL	Current Lien Amount
TITLE	The title (PR/AR/LR/LG/ or RR) of the member's responsible party
ELIEN DATE	Date Lien Recorded
EDOCKET NO	Lien Document Number
ELIENCOUNT	County the lien was filed in
ELIENCITY	City the Lien was filed in
ESHORT_DSC	Short legal description of the real property
STAFFNAME	PCG Staff Members Name
STAFFTITLE	PCG Staff Members Name
PR	Personal Representative
AR	Authorized Representative
LR	Legal Representative
LG	Legal Guardian
RR	Responsible Relative

Janet Napolitano, Governor  
Anthony D. Rodgers, Director



801 E. Jefferson, Phoenix, AZ 85034  
P.O. Box 25520, Phoenix, AZ 85002  
Phone: 602-417-4000  
www.azahcccs.gov

July 20, 2007

AR's ==> «LFIRST\_NAM» «LLAST\_NAME»  
AR's ==> «LADDRESS1» «LADDRESS2»  
AR's ==> «LMAILCITY» «LSTATE» «LZIP»

**NOTICE OF INTENT TO FILE LIEN AGAINST REAL PROPERTY**

Dear Authorized Representative «LLAST\_NAME»:

Our records show that <<Members First Name>> <<Members Last Name>> is receiving Medicaid benefits from the Arizona Health Care Cost Containment System (AHCCCS) through its Arizona Long Term Care System (ALTCS) program, and has resided in a nursing facility, an intermediate care facility for the mentally retarded (ICF/MR), or an institution for mental disease for 90 or more consecutive days. Therefore, a TEFRA lien will be filed unless the member, or the member's representative, applies for an exemption within the timeframe outlined below.

**Description of a TEFRA lien; the legal authority for filing a TEFRA lien; and how a TEFRA lien impacts the member's property:**

"TEFRA lien" means a lien under 42 USC § 1396p of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Pursuant to this Federal law and Arizona law (A.R.S. § 36-2935), AHCCCS intends to record a TEFRA lien against the real property of <<Members First Name>> <<Members Last Name>> (the "member") through its representative, Health Management Systems, Inc. (HMS).

A TEFRA lien is a claim on the member's real property for the amount of money AHCCCS paid on behalf of the member for ALTCS benefits. The purpose of a TEFRA lien is to help recover the cost of medical benefits provided to the member by AHCCCS. The existence of the TEFRA lien may impact the member's ability to sell, transfer or exchange the member's interest in the property prior to satisfying the AHCCCS claim.

Notice of Intent to File Lien Against Real Property  
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A TEFRA lien may be filed if all of the following three conditions are met:

1. The member is age 55 or older; and
2. The member has been admitted to a nursing facility, an intermediate care facility for the mentally retarded, or other medical institution defined in 42 CFR 435.1009; and
3. AHCCCS has determined that the member is permanently institutionalized.

For purpose of filing a TEFRA lien, a rebuttable presumption exists that a member is permanently institutionalized if the member has continually resided in a nursing facility, ICF/MR, or other medical institution defined in 42 CFR 435.1009 for 90 or more consecutive days. This presumption can be rebutted by providing AHCCCS a written opinion from a treating physician, rendered to a reasonable degree of medical certainty that the member's condition is likely to improve to the point that the member will be discharged from the medical institution and will be capable of returning home by a date certain. If the member's medical condition will improve to the point that the member will be discharged, please send your request for exemption or request for hearing as described below.

A TEFRA lien will be filed if the member meets the above criteria and none of the following individuals are lawfully residing in the member's home:

1. Member's spouse;
2. Member's child who is under the age of 21 years;
3. Member's child who is blind or disabled under 42 USC 1382c; or
4. Member's sibling who has an equity interest in the home and who was residing in the member's home for at least one year immediately before the date the member was admitted to a nursing facility, an intermediate care facility for the mentally retarded, or other medical institution defined in 42 CFR 435.1009.

If any of the individuals listed in 1 to 4 above are currently residing in the member's home, the property will be exempt from a TEFRA lien at this time. Please follow the instructions below for an exemption.

**The action AHCCCS intends to take; the member's right to apply for an exemption from the TEFRA lien; the member's right to request a State Fair Hearing; and the time-frames for requesting an exemption from the TEFRA lien, or for requesting a State Fair Hearing:**

AHCCCS will file a TEFRA lien unless the member, or the member's representative, applies for an exemption from the TEFRA lien. To apply for an exemption, the member, or the member's representative, must provide a written statement, within 30 days from the receipt of this Notice, describing the factual basis for a claim that the property is exempt from placement of a TEFRA lien based on AHCCCS Rule A.A.C. R9-28-914(B) or A.A.C. R9-28-915. A copy of these rules is found in the Attachment. AHCCCS will respond to the member or the member's representative in writing within 30 days of receiving a request for exemption, unless the parties mutually agree to a longer time period.



Notice of Intent to File Lien Against Real Property  
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Please send your request for exemption with all supporting documentation to:

Health Management Systems  
P.O. Box 10530  
Phoenix, AZ 85064

In addition to applying for an exemption from the TEFRA lien, the member or the member's representative, may request a State Fair Hearing if you disagree with the action that is being taken. The request for a State Fair Hearing must be received within 30 days of the receipt of this Notice of Intent or within 30 days of receipt of a denial of a 99999 request for exemption under A.A.C. R9-28-916(C).

Hearings regarding AHCCCS' intent to place a TEFRA lien will be conducted under A.A.C. Title 9, Chapter 34. The request for a State Fair Hearing must be in writing and must be received by the:

AHCCCS Administration  
Office of Legal Assistance  
Mail Drop 6200  
P.O. Box 25520  
Phoenix, Arizona 85002.

**When AHCCCS will seek to recover a TEFRA lien, and when a TEFRA lien will be released:**

AHCCCS will seek to recover a TEFRA lien upon the sale or transfer of the real property subject to the lien. However, AHCCCS will not seek to recover the TEFRA lien or attempt recovery against any real property subject to the TEFRA lien so long as the member is survived by the:

1. Member's spouse; or
2. Member's child who is under the age of 21 years; or
3. Member's child who is blind or disabled under 42 USC 1382; or
4. A sibling of the member who resides in the deceased member's home and who has resided in the member's home for a period of at least one year immediately before the date of the member's admission to the nursing facility, ICF/MR, or other medical institution, defined under 42 CFR 435.1009; or
5. A child of the member who resides in the deceased member's home and who resided in the member's home for a period of at least two years immediately before the date of the member's admission to the nursing facility, ICF/MR, or other medical institution, defined under 42 CFR 435.1009, and who provided care to the member, which allowed the member to reside at home rather than in an institution.

This information is found in A.A.C. R9-28-918

Notice of Intent to File Lien Against Real Property  
Page 4

To determine whether a child of the member provided care for the member as described in number 5 above, AHCCCS requires the following information:

- a) Physician's statement that describes the members physical condition and service needs for the previous two years;
- b) Verification that the child actually lived in the member's home;
- c) Statement from the child providing the services and attests to the services provided;
- d) Any statement made by the member prior to death regarding the services received;  
and
- e) Statement from physician, friend, or relative as witness to the care provided.

If a TEFRA lien has been filed, the lien will be released within 30 days of:

1. Satisfaction of the lien; or
2. Notice that the member has been discharged from the nursing facility, ICF/MR, or other medical institution, defined under 42 CFR 435.1009, and the member has returned home and is physically residing in the home with the intention of remaining at home. Discharge to an alternative HCBS setting defined in A.A.C. R9-28-101(B) does not constitute a return to the home. Please review the Attachment that contains the rules related to TEFRA liens.

If you have questions, please call HMS at the following number: (888) 378-2836 or (602) 954-8380 if you are in the Phoenix area.

Sincerely,

John Nystedt  
Third Party Liability Administrator  
Division of Business and Finance

THIS DOCUMENT WAS REVIEWED AND APPROVED BY:

Division\Section	Signature	Date of Approval
DBF/TPL		
HMS		

**Attachment to  
NOTICE OF INTENT TO FILE LIEN AGAINST REAL PROPERTY  
Selected Arizona Rules**

**ARTICLE 9. FIRST- AND THIRD-PARTY LIABILITY AND RECOVERIES**

SI USTED NO PUEDE LEER INGLES, Y NECESITA AYUDA, POR FAVOR LLAME AL  
(888) 378-2836 O EL (602) 954-8380 SI USTED ESTÁ EN EL AREA DE PHOENIX

**R9-28-901. Definitions**

In addition to the definitions in A.R.S. §§ 36-2901 and 36-2931, 9 A.A.C. 22, Article 1, and 9 A.A.C. 28, Article 1, the following definitions apply to this Article:

1. "Consecutive days" means days following one after the other without an interruption based on discharge.
2. "Estate" has the meaning in A.R.S. § 14-1201.
3. "File" means the date that AHCCCS receives a request for a State Fair Hearing under R9-28-917, as established by a date stamp on the request or other record of receipt.
4. "Home" means property in which a member has an ownership interest and which serves as the member's principal place of residence. This property includes the shelter in which a member resides, the land on which the shelter is located and related outbuildings.
5. "Member" means a person eligible for AHCCCS-covered services under A.R.S. Title 36, Chapter 29, Article 2.
6. "Place" means AHCCCS recording a lien on a member's property with the judicial system.
7. "Recover" means that AHCCCS takes action to collect from a claim.
8. "TEFRA lien" means a lien under 42 U.S.C. 1396p of the Tax Equity and Fiscal Responsibility Act of 1982.

**R9-28-913. TEFRA Liens-General**

- A. Purpose. The purpose of TEFRA is to allow AHCCCS to place a lien on an AHCCCS member's real property before the member is deceased or to place a lien on a deceased member's estate.
- B. Life estates and beneficiary deeds. Except for members under R9-28-915, AHCCCS shall place a TEFRA lien on a member's real property interest held in a life estate or beneficiary deed created before or after the member's eligibility. Except for members under R9-28-918, AHCCCS shall enforce recovery against the remainder beneficiary following the member's death or upon transfer of the property.
- C. Recovery. As provided under R9-28-918, AHCCCS shall recover a TEFRA lien under R9-28-910.

**R9-28-914. TEFRA Liens-Affected Members**

- A. Except for members under R9-28-915, AHCCCS shall place a TEFRA lien against the real property of all members who are:
1. Receiving ALTCS services,
  2. 55 years of age or older, and
  3. Permanently institutionalized.
- B. A rebuttable presumption exists that a member is permanently institutionalized if the member has continually resided in a nursing facility, ICF/MR, or other medical institution defined in 42 CFR 435.1009 for 90 or more consecutive days. A member may rebut the presumption by providing a written opinion from a treating physician, rendered to a reasonable degree of medical certainty, that the member's condition is likely to improve to the point that the member will be discharged from the medical institution and will be capable of returning home by a date certain.

**R9-28-915. TEFRA Liens-Prohibitions**

AHCCCS shall not place a TEFRA lien against a member's home if one of the following individuals is lawfully residing in the member's home:

1. Member's spouse;
2. Member's child who is under the age of 21;
3. Member's child who is blind or disabled under 42 U.S.C. 1382c; or
4. Member's sibling who has an equity interest in the home and who was residing in the member's home for at least one year immediately before the date the member was admitted to the nursing facility, ICF/MR, or other medical institution as defined under 42 CFR 435.1009.

**R9-28-916. TEFRA Liens-AHCCCS Notice of Intent**

- A. Time-frame. At least 30 days before filing a TEFRA lien, AHCCCS shall send the member or member's representative a Notice of Intent.
- B. Content of the notice of intent. The Notice of Intent shall include the following information:
1. A description of a TEFRA lien and the action that AHCCCS intends to take,
  2. How a TEFRA lien affects a member's property,
  3. The legal authority for filing a TEFRA lien,
  4. The time-frames and procedures involved in filing a TEFRA lien,
  5. The member's right to request a State Fair Hearing, and
  6. The process and time-frames for requesting a State Fair Hearing.
- C. Request for exemption. A member's representative may request an exemption. To request an exemption the member or the member's representative shall submit a written statement to AHCCCS within 30 days from the receipt of the Notice of Intent describing the factual basis for a claim that the property should be exempt from placement of a TEFRA lien or from recovery of lien based on R9-28-914(B), R9-28-915 or R9-28-918. AHCCCS shall respond

to the member or member's representative in writing within 30 days of receiving a request for exemption, unless the parties mutually agree to a longer period of time.

**R9-28-917. TEFRA Liens and Estate Recovery-Member's Request for a State Fair Hearing**

- A.** A member or member's representative may request a State Fair Hearing:
1. Within 30 days of the receipt of AHCCCS' Notice of Intent or notification of AHCCCS' claim against the estate; or
  2. Within 30 days of receipt of a denial of a request for exemption under R9-28-916(C) or denial of a request to waive estate recovery because of undue hardship under R9-28-911(B).
- B.** Hearings regarding AHCCCS' intent to place a TEFRA lien shall be conducted under A.A.C. Title 9, Chapter 34, Article 1.

**R9-28-918. TEFRA Liens-Recovery**

- A.** AHCCCS shall seek to recover a TEFRA lien upon the sale or transfer of the real property subject to the lien. However, AHCCCS shall not seek to recover the TEFRA lien or attempt recovery against any real property subject to the TEFRA lien so long as the member is survived by the member's:
1. Spouse,
  2. Child under the age of 21, or
  3. Child who receives benefits under either Title II or Title XVI of the Social Security Act as blind or disabled, as defined under 42 U.S.C. 1382c.
- B.** AHCCCS shall not recover a TEFRA lien on an individual's home if the member is survived by:
1. A sibling of the member who currently resides in the deceased member's home and who was residing in the member's home for a period of at least one year immediately before the date of the member's admission to the nursing facility, ICF/MR, or other medical institution as defined under 42 CFR 435.1009; or
  2. A child of the member resides in the deceased member's home who:
    - a. Was residing in the member's home for a period of at least two years immediately before the date of the member's admission to the nursing facility, ICF/MR, or other medical institution as defined under 42 CFR 435.1009; and
    - b. Provided care to the member, which allowed the member to reside at home rather than in an institution.
- C.** To determine whether a child of the member provided care under subsection (B)(2), AHCCCS shall require the following information:
1. Physician's statement that describes the member's physical condition and service needs for the previous two years;
  2. Verification that the child actually lived in the member's home;

3. Statement from the child providing the services that describes and attests to the services provided;
4. Any statement made by the member prior to death regarding the services received; and
5. Statement from physician, friend, or relative as witness to the care provided.

**R9-28-919. TEFRA Liens-Release**

AHCCCS shall issue a release of a TEFRA lien within 30 days of:

1. Satisfaction of the lien; or
2. Notice that the member has been discharged from the nursing facility, ICF/MR, or other medical institution, defined under 42 CFR 435.1009, and the member has returned home and is physically residing in the home with the intention of remaining in the home. Discharge to an alternative HCBS setting defined at R9-28-101(B) does not constitute a return to the home.

THIS DOCUMENT WAS REVIEWED AND APPROVED BY:

Division\Section	Signature	Date of Approval
DBF/TPL		
HMS		

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

*Attachment 4*

<<DATE>>

<<PERSONAL REPRESENTATIVE>>

<<PR ADDRESS>>

<<PR CITY>>, <<PR ST>> <<PR ZIP>>

RE: Lien filed against the property of <<MEMBER NAME>>  
Our File #: <<CASE NUMBER>>  
Current Lien Amount: \$<<LIEN AMOUNT>>

Dear <<PERSONAL REPRESENTATIVE>>:

Based upon a review of <<MEMBER NAME>>'s request for exemption from a TEFRA lien, we have determined that the requirements for an exemption have been met and a TEFRA lien will not be filed at this time. Should you have any additional questions, feel free to call me at the above number.

Thank you for your assistance with this matter.

Sincerely,

<<STAFF NAME>>

Caseworker

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

ATTACHMENT 5

<<DATE>>

<<PERSONAL REPRESENTATIVE>>  
<<PR ADDRESS>>  
<<PR CITY>>, <<PR ST>> <<PR ZIP>>

**NOTICE OF DENIAL OF EXEMPTION**

Dear <<PERSONAL REPRESENTATIVE>>:

Based upon a review of <<MEMBER NAME>>'s request for exemption from a TEFRA lien, we have determined that the requirements for granting an exemption have not been met. Therefore, A TEFRA lien will be placed on the property. An exemption from a TEFRA lien is allowed only if it can be shown that <<MEMBER NAME>> is not permanently institutionalized, or if one of the people mentioned below is residing in the real property owned by <<MEMBER NAME>>. The facts and circumstances that were presented do not rebut the AHCCCS presumption that <<MEMBER NAME>> is permanently institutionalized, and/or does not show that at least one of the following individuals is lawfully residing in the home:

- ☐ <<MEMBER NAME>>'s spouse;
- ☐ <<MEMBER NAME>>'s child who is under the age of 21 years;
- ☐ <<MEMBER NAME>>'s child who is blind or disabled under 42 USC 1382c; or
- ☐ a sibling of <<MEMBER NAME>> who has an equity interest in the home and who was residing in <<MEMBER NAME>>'s home for at least one year immediately before the date <<MEMBER NAME>> was admitted to a nursing facility, an intermediate care facility for the mentally retarded, or other medical institution defined in 42 CFR 435.1009.

Health Management Systems, Inc. (HMS), on behalf of the Arizona Health Care Cost Containment System (AHCCCS), will file a TEFRA lien against real estate owned by <<MEMBER NAME>>.

If you disagree with the action being taken, you may request a State Fair Hearing. The request for a State Fair Hearing must be filed in writing by the member or the member's representative and must be received by the AHCCCS Administration, Office of Legal Assistance, Mail Drop 6200, and P.O. BOX 25520, PHOENIX, ARIZONA 85002 no later than 30 days from the receipt of this Notice. Hearings regarding AHCCCS' intent to place a TEFRA lien will be conducted under A.A.C. Title 9.

If you have questions, feel free to telephone me at (888) 378-2836.

Sincerely,

<<STAFF NAME>>

Caseworker



Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

Attachment 6

<<DATE>>

NOTICE OF TEFRA LIEN

Notice is hereby given, that, in accordance with 42 U.S.C. §1396p of the Tax Equity and Fiscal Responsibility Act (TEFRA), and Arizona law, A.R.S. 36-2935, Health Management Systems, Inc. (HMS), on behalf of the Arizona Health Care Cost Containment System (AHCCCS) is entitled to and does file a lien against real estate owned by:

<<MEMBER NAME>>,

A recipient of AHCCCS benefits living at:

<<MEMBER ADDRESS>>

<<CITY>>, <<STATE>> <<ZIP>>

The amount of the lien is equal to the cost of medical assistance benefits including, but not limited to: capitation payments, Medicare Parts A and B premium payments, coinsurance and deductibles, fee-for-service payments and reinsurance payments paid on behalf of said recipient before, on, and after the date of the lien.

The real estate to which this lien applies is described as:

<<PROPERTY NAME>>

<<PROPERTY ADDRESS>>

<<PROP CITY>>, <<PROP ST>> <<PROP ZIP>>

The lien is imposed to secure the described property for the recovery of medical assistance paid on behalf of the above recipient before, on, and after the date of the lien. The amount paid for recoverable medical assistance is due upon sale, transfer, or exchange of any right, title, or interest of the recipient in the property. For more information, please contact Health Management Systems, Inc. at P.O. Box 10530, Phoenix, AZ 85064, or call toll free (888) 378-2836.

Dated: <<DATE>>

By \_\_\_\_\_

-

<<STAFF NAME>>

City and County of <<CITY>> <<COUNTY>>

State of <<STATE>>

Taken, sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_

Notary Public

My Commission Expires: \_\_\_\_\_

cc: <<MEMBER NAME>>

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

*Attachment 6A*

<<DATE>>

County Clerk of Court  
Recorder's Office

RE: Lien filed against the property of <<MEMBER NAME>>  
RU File #: <<CASE NUMBER>>

Dear Clerk:

Enclosed is an original TEFRA Lien to be filed with your office, along with a check for filing fees.

Also enclosed is a copy of the above TEFRA Lien to be stamped and returned to our office in the enclosed self-addressed, stamped envelope.

Thank you for your assistance with this matter.

Sincerely,

<<STAFF NAME>>

Caseworker

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

*Attachment 6B*

<<DATE>>

<<PERSONAL REPRESENTATIVE>>

<<PR ADDRESS>>

<<PR CITY>>, <<PR ST>> <<PR ZIP>>

RE: Lien filed against the property of <<MEMBER NAME>>  
Our File #: <<CASE NUMBER>>  
Current Lien Amount: \$<<LIEN AMOUNT>>

Dear <<PERSONAL REPRESENTATIVE>>:

Enclosed is a copy of the TEFRA Lien that Health Management Systems, on behalf of the Arizona Health Care Cost Containment System (AHCCCS), has filed in the office of the clerk and recorder in the county in which the real property is located.

If you have any questions, please contact Health Management Systems, Inc. at P.O. Box 10530, Phoenix, AZ 85064; or call toll free at (888) 378-2836.

Sincerely

<<STAFF NAME>>

Caseworker

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

Attachment 7

<<DATE>>

<<PERSONAL REPRESENTATIVE>>  
<<PR ADDRESS>>  
<<PR CITY>>, <<PR ST>> <<PR ZIP>>

RE: Lien filed against the property of <<MEMBER NAME>>  
Our File #: <<CASE NUMBER>>  
Current Lien Amount: \$<<LIEN AMOUNT>>

Dear <<PERSONAL REPRESENTATIVE>>:

Health Management Systems, Inc. (HMS) on behalf of the Arizona Health Care Cost Containment System (AHCCCS) previously filed a lien against the real property of the above member in accordance with Arizona law (See Ariz. Comp. Admin. R & Regs. R9-28-913, et. seq.). The lien was filed to recover the costs of AHCCCS benefits provided. We recently received inquiries regarding the status of the lien, which requires us to update our records with the most current information.

**Please call us immediately at (888) 378-2836 (toll-free) to inform us about the status and/or sale of the property, or whether the existing lien should not remain open.**

The amount of the lien is based on the amount of AHCCCS benefits provided. As AHCCCS pays additional bills for the above recipient, the lien amount increases. The lien amount stated above represents the current cost of benefits that the above recipient has received to-date.

The lien will be released when it is either paid in full, or where the lien amount is greater than the property's fair market value, the fair market value of the property must be paid. Until this occurs, the lien will remain on the property. Once payment is received, HMS will send a release of lien to the appropriate county clerk.

If you have any questions, you may call the above toll free number for further assistance.

Sincerely,

<<STAFF NAME>>

Caseworker

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

*Attachment 8*

<<DATE>>

<<PERSONAL REPRESENTATIVE>>

<<PR ADDRESS>>

<<PR CITY>>, <<PR ST>> <<PR ZIP>>

RE: Lien filed against the property of <<MEMBER NAME>>

Our File #: <<CASE NUMBER>>

Current Lien Amount: \$<<LIEN AMOUNT>>

Dear <<PERSONAL REPRESENTATIVE>>:

Enclosed is a summary sheet and billing printout of all expenses paid by ALTCS for the recipient's care.  
The following is the current lien amount:

**Total AHCCCS benefits provided to-date: \$<<LIEN AMOUNT>>**

If you are ready to pay the lien at this time, please make your check payable to: **AHCCCS** and mail it to Health Management Systems, Inc. at the above address.

Please note that you are required to keep our office up to-date on the property's status and changes that may occur. Please call our office with any questions or concerns.

Sincerely,

<<STAFF NAME>>

Caseworker

Encl

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

Attachment 9

<<DATE>>

**RELEASE OF TEFRA LIEN**

I, the undersigned, caseworker for Health Management Systems, Inc., on behalf of the Arizona Health Care Cost Containment System (AHCCCS), which is the owner of a lien against the property of: <<MEMBER NAME>>, dated <<DATE>> and recorded on as <<DOCUMENT NUMBER>> in the Registry of Deeds, County of <<COUNTY>>, State of <<STATE>>, hereby releases said lien applied to the real estate described as follows:

<<PROPERTY NAME>>  
<<PROPERTY ADDRESS>>  
<<PROP CITY>>, <<PROP ST>> <<PROP ZIP>>

AHCCCS has determined that it will not pursue recovery of its lien against the above real property at this time. This release does not constitute a final satisfaction of the amount of medical assistance benefits provided by AHCCCS, and it does not impair or limit any future AHCCCS recovery efforts. If the recipient was recently discharged from a long-term facility but is subsequently re-admitted, this lien may be re-filed.

Dated: <<DATE>>

By \_\_\_\_\_

- <<STAFF NAME>>

City and County of <<CITY>> <<COUNTY>>

State of <<STATE>>

Taken, sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_

Notary Public

My Commission Expires: \_\_\_\_\_

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

<<DATE>>

**RELEASE OF TEFRA LIEN**

I, the undersigned, caseworker for Health Management Systems, Inc. (HMS), on behalf of the Arizona Health Care Cost Containment System (AHCCCS), which is the owner of a lien against the property of: <<MEMBER NAME>>, dated <<DATE>> and recorded on as <<DOCUMENT NUMBER>> in the Registry of Deeds, County of <<COUNTY>> State of <<STATE>>, hereby releases said lien applied to the real estate described as follows:

<<PROPERTY NAME>>

<<PROPERTY ADDRESS>>

<<PROP CITY>>, <<PROP ST>> <<PROP ZIP>>

Dated: <<DATE>>

By \_\_\_\_\_  
<<STAFF NAME>>

City and County of <<CITY>> <<COUNTY>>

State of <<STATE>>

Taken, sworn to and subscribed before me this \_\_\_\_\_ day  
of \_\_\_\_\_

\_\_\_\_\_

Notary Public

My Commission Expires: \_\_\_\_\_

Health Management Systems

PO Box 10530  
Phoenix, AZ 85064  
Phone: 602-954-8380  
Toll Free: 888-378-2836  
Fax: 602-257-4180

Attachment 10A

<<DATE>>

<<PERSONAL REPRESENTATIVE>>  
<<PR ADDRESS>>  
<<PR CITY>>, <<PR ST>> <<PR ZIP>>

RE: Lien filed against the property of <<MEMBER NAME>>  
Our File #: <<CASE NUMBER>>  
Current Lien Amount: \$<<LIEN AMOUNT>>

Dear <<PERSONAL REPRESENTATIVE>>:

Health Management Systems, Inc., on behalf of the Arizona Health Care Cost Containment System (AHCCCS) confirms the receipt of \$<<PAYMENT AMOUNT>> payment for the lien of \$<<LIEN AMOUNT>> against the real property owned by <<MEMBER NAME>>. Enclosed is a copy of the Release of the Lien.

Please be advised that if the amount of the medical expenses incurred by ALTCS was not satisfied in full by the sale of the above real property, AHCCCS may seek additional recovery against other available assets in the recipient's estate for any remaining balance due.

If you have any questions, please do not hesitate to phone at the toll free number above. Thank you for your cooperation with this matter.

Sincerely,

<<STAFF NAME>>

Caseworker



Health Management Systems

PO Box 10530

Phoenix, AZ 85064

Phone: 602-954-8380

Toll Free: 888-378-2836

Fax: 602-257-4180

Attachment 11

<<DATE>>

<<PERSONAL REPRESENTATIVE>>

<<PR ADDRESS>>

<<PR CITY>>, <<PR ST>> <<PR ZIP>>

RE: Lien filed against the property of <<MEMBER NAME>>

Our File #: <<CASE NUMBER>>

Current Lien Amount: \$<<LIEN AMOUNT>>

Settlement Amount: \$<<SETTLEMENT AMOUNT>>

Dear <<PERSONAL REPRESENTATIVE>>:

Pursuant to our conversation, this letter is to confirm that AHCCCS will accept the above settlement amount as full and final payment of the above matter. Upon receipt of the said funds, our office will release the lien filed with the county clerk.

Please make the check payable to AHCCCS and mail it to Health Management Systems, Inc. at the above address.

Thank you for your cooperation with this matter. Should you have any questions, please contact our office.

Sincerely,

<<STAFF NAME>>

Caseworker